

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT: Point with respect to planning made in conversation with DDCI, 18 October 1965

1. At a meeting in the Director's conference room, 1100, 18 October 1965, chaired by the Executive Director-Comptroller, a new planning, programming and budgeting cycle was unveiled before representatives of the several direct-rates. A color chart was displayed with black and white copies to all those present which outlined a 12 month cycle beginning this month and running until 30 September 1966. It appears to be an excellent procedure, controlled by budgetary and fiscal planners. It calls for a cycle that moves up and down in a range from Deputy Directors through the Office of Planning, Programming and Budgeting thence to the Executive Director-Comptroller and then up to the Director. The first critical juncture in the process calls for approval of program planning guidance in January 1966, then approval of and forwarding a five year forecast to the Bureau of the Budget in May, then approval of guidance for 1968 levels in June, and finally for approval of the 1968 program levels in August, 1966.

2. At the outset of the meeting Mr. White established three points as the purpose of the cycle: (1), to take some account of the Long Range Plan, completed 1 September 1965; (2) to prepare a 1965 five year forecast, and (3) to consider 1967 budget estimates. While the budget cycle is stated to be related to the Long Range Plan, it is not clear to me just how this is to be done. This especially becomes a question when it is realized that the Long Range Planning group prepared its plan on the basis of a five year projection which was purposely not related to the recent 5 and 20% budget reduction exercises. It was determined instead that the Long Range Plan should stress the objectives and programs of the Agency as they reflected the best thoughts of

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directorates directed to the utilization and development of ways and means to accomplish the several missions of the directorates. The group as a whole melded directorate views and submitted what constituted a unanimously agreed version of a CIA Long Range Plan that was substantive in character and which deliberately kept its consideration of costs in terms of money and manpower subordinated to the ideal accomplishment of objectives.

3. The new planning program and budgeting cycle as outlined by the Office of Planning, Programming and Budgeting represents an excellent instrument for reaching Agency objectives otherwise already established. The outlined plan presented at the 18 October meeting, requires that the Deputy Directors in effect are to present the expression of their programs through the Office of Planning, Programming and Budgeting to the Executive Director-Comptroller and thus indirectly to the Director. In following the charted cycle all the way through, there appears to be no point for discussion by the Deputy Directors, or the DDCI for that matter, with the DCI except as they may have to have direct contact with the DDCI and the DCI to consult on unexpected crises, unforeseen requirements or a significant difference with the budgetary and fiscal programming procedures. Within the concept of the Long Range Plan, in contrast to the above procedure, it was the thrust of the plan first to establish a long range plan, stating the purposes and objectives necessary to assure the best performance of the Agency and then to update this annually. Thus the plan would serve as an overall goal against which the various budgetary and fiscal instruments would be utilized to accomplish as much as was realistically possible to accomplish of the ideal goal.

4. It seems that there is a need to continue, at least at the directorate level, if not to bring the various directorates together at the Agency level, the Long Range Planning process more or less in parallel to the new planning program and budgeting cycle. As the latter cycle is understood at present, while it takes account of the Long Range Plan, it in effect appears to be prepared to utilize what it desires from the existing plan but subordinates it to the budgetary and fiscal machinery - a machinery which utilizes predominantly budgetary and fiscal personnel, albeit of a high caliber - that makes no allowance for separate operational and research consideration of existing resources

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as well as those under development for future use. These latter include developments of a most esoteric and possibly revolutionary kind, which carry the potential of possible drastic changes in methods for accomplishing Agency objectives. It is this type of consideration which is reflected in the Long Range Plan and projected into the 1970s and should continue to be probed as the years move ahead. These are the kinds of things that cannot be effectively discussed within the limits of wholly budgetary and fiscal planning and program instrumentality, with its necessary staffing of experts dominant in that area.

5. Basically the value of retaining some form of directorate, or combined directorate planning, is in keeping together, on at least an informal basis, a group of broad, substantive professionals, which, by ongoing association and discussion, continues to be educated to the overall objectives of the Agency and works together as a team to achieve its goals.

6. Understand, this paper of comment is not to be taken as an objection to the new cycle unveiled by Mr. White. It can be a valuable one. It does, however, leave something out of the process - it does not present the Director with the continuing updating of the kind of substantive statement of purposes, objectives, changing resources and needs which he should have in order to hold in mind what his implementing budgetary and fiscal machinery should work to accomplish.



Chief
Foreign Intelligence

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After your meeting with you instructed that the 15 year planning exercise not be an excuse for unwarranted expansion. You asked that all parties to the planning exercise be so advised and that a preamble to this effect be included in the plan. This is being done.

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The philosophy of the Congress is equally applicable to the FY 67 planning. Therefore we have prepared the attached for your signature as a formal notice to all directorates of your view on the matter. Recommend your signature.

Executive Director-Comptroller 6/10/65